



CITY OF BRAZIL

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PRESS RELEASE

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FIRE DEPARTMENT IMPROVES RATING

Improvement could result in a reduction in homeowners insurance rates

On the 13th of April 2007 the Brazil City Fire Department received its Public Protection Classification (PPC) Results from the Insurance Service Office (ISO). This report was based on the ISO on-site evaluation conducted in January of this year. The Insurance Service Office classifies available fire suppression facilities to develop a Public Protection Classification for fire insurance rating purposes. Rating evaluations are done on a ten year basis to measure the major elements of the City's fire suppression system and insure the current rating is correct. The ISO classification is based on a relative scale from 1 to 10, with 10 representing less than minimum recognized protection and 1 representing ISO's highest classification rating. This rating system is used by all insurance companies as the scale in which the calculations of property insurance premiums are based. In 1993 under Chief Robert Hayes the City's ISO class rating was lowered from a class 8 to a class 7. This improvement in the ISO classification for Brazil saved homeowners and local industry in insurance premiums cost.

In 2005 the department was placed in mitigation status with ISO after an onsite evaluation was conducted to review the department's Public Protection Classification of 7. The department did not meet standards set by ISO in minimum training levels or levels of responding personnel. This level shortage was identified in 1998 by ISO during an onsite evaluation of the department's PPC class rating of 7. The level shortage identified in this evaluation was not addressed and had not been rectified before the 2005 evaluation, which resulted in the mitigation status. The mitigation period would evaluate changes made for the department to meet the minimum levels. If the department failed to do so, the City's PPC rating would fall to a class 10 and consequently increase homeowner and industry insurance policy premiums.

However, due to changes made in the department since the 2005 evaluation, the 2007 fire suppression assessment report received this month advised the City's Public Protection Classification (PPC) will be improved from a Class 7 to a Class 5 effective August 1st, 2007. This date allows insurers the necessary lead time to incorporate the Public Protection Classification improvement into their policy rating systems. Changes in department policy for training minimums and the implementation of a pager response protocol for off duty firefighters

in 2005 greatly effected the improvement in City's PPC rating. For the past 15 years, on duty staffing levels consist of 3 firefighters on station about 63% of a year, with the remaining 37% of the year staffing levels of 4 firefighters per duty day. ISO minimum standards require at least 4 responding firefighters for every structure related incident. The implementation of a pager responses policy for off duty firefighters raised the department's average personnel dramatically and greatly increased the safety of City firefighters and the community they protect. Improvements made in the City's infrastructure also helped improve the City's PPC rating. New hydrants installed and replaced on larger water mains raised the water distribution portion of the evaluation. These improvements contributed to a better rating for the City of Brazil.

The effect of this improvement for the City's PPC rating is lower property insurance premiums for local industry and homeowners. ISO Community Mitigation Analyst, Derick Thomas advised Chief Archer each point classification improvement represents about 13% in premium costs on average, depending on the insurance carrier. This is the first time the City's PPC rating has dropped 2 points, and it should reflect up to a possible 26% savings in property insurance premiums.

A reduction in premium cost is good for homeowners, but it is out shadowed by the increase of public safety these improvements have made for our community.

The City of Brazil is fortunate to have some of the finest and most dedicated firefighters in the state of Indiana, and I am proud to serve as their Chief; the recent policy changes were not easy, but our members were up to the challenge.